

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE

PAGE OF PAGES

1

12

2. AMENDMENT/MODIFICATION NO

P00087

3. EFFECTIVE DATE

11-12-03

4. REQUESTION PURCHASE REQ NO

N/A

5. PROJECT NO (if applicable)

N/A

6. ISSUED BY

CODE

SP0200

7. ADMINISTERED BY (if other than Item 6)

CODE

SEE BLOCK 6

Defense Logistics Agency
Defense Supply Center Philadelphia
700 Robbins Avenue
Philadelphia, PA 19111
Gail R. Viola, DSCP-MSAA (215) 737-9052

8. NAME AND ADDRESS OF CONTRACTOR (No, street, county, State and ZIP Code)

CARDINAL HEALTH 200 INC.
THE MEDICAL PRODUCTS AND SERVICES GROUP
OF CARDINAL HEALTH
1430 WAUKEGAN ROAD
MCGAW PARK, IL 60085-6757

9A. AMENDMENT OF SOLICITATION NO

9B DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO
SP0200-00-D-7163

10B DATED (SEE ITEM 13)

July 19, 2000

CODE 07TA6

FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers☐ is extended,☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (if required)

MEDICAL/SURGICAL PRIME VENDOR - GLOBAL EAST REGION

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS

IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

☒ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

☒ D. OTHER (Specify typed modification and authority)
Agreement of the Parties

E. IMPORTANT:

Contractor

☐ is not,☒ is required to sign this document and return

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copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation contract subject matter where feasible)

SEE ATTACHED

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or print)

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

DONNA M. KENNEDY, CONTRACTING OFFICER

15B. CONTRACTOR OFFICER

15C. DATE SIGNED

11-12-03

16B. UNITED STATES OF AMERICA

BY

16C. DATE SIGNED

11-12-03

NSN 7540-01-152-9070

ReFORM (DLA)

STANDARD FORM 30 (REV. 10-83)

Prescribed by GSA
FAR (48 CFR) 53.243

PREVIOUS EDITION UNUSABLE

1. Referencing the contract and the SOW, Section XIX. WAR RESERVE MATERIEL (WRM) SUPPORT PROVISIONS:

a. All prior reference to the terms "Cost of Coverage" and "Cost for Access" are synonymous. Effective beginning with this modification, the term Cost of Coverage is obsolete and replaced by the term "Cost of Access."

b. All prior reference to the term "WRM Support" includes the Air Expeditionary Force (AEF). Effective this modification, when using the term WRM Support/WRM, it includes AEF requirements, although the term AEF will continue to be used separately, where appropriate.

2. Referencing Modification P00051, effective February 27, 2002. DELETE Paragraph 2 in its entirety. (NOTE: refer to Section K below)

3. DELETE Modification P00066, effective September 4, 2002 in its entirety.

4. Referencing the WRM Modification P00040, effective September 21, 2001. DELETE Page 2 in its entirety and SUBSTITUTE the following:

"1. DELETE any reference to "Surge" and SUBSTITUTE "War Reserve Materiel (WRM) Support".

2. Referencing page 2 and 3 of the contract, SCHEDULE OF SUPPLIES/SERVICES (SOSS), Line Item 0001, CLIN 0001AA through 0001AE. DELETE this section in its entirety and SUBSTITUTE the following:

0001 War Reserve Materiel (WRM) Support Provision, Twenty-Month Cost for Access, By Service and Program. Awardees will have the estimated dollar value of each Service's requirements reflected on its contract. The Cost for Access, for each twenty-month commitment period, is fixed for the life of the contract. The Cost for Access fee paid to the Prime Vendor (PV) will be based on a proportional relationship (as stated within paragraph 5 of this modification) between the Cost for Access and the actual dollar value of the total requirements on the on the requirements diskette. For each requirement, as described in the Zs below, the responsible Service will select a PV once funding is established for the Cost for Access. The Cost for Access does not include the purchase price of the materiel (billed separately upon order placement.) Although each Service's estimated dollar value represents their WRM requirement, the Government is not obligated to place any WRM orders under the contract. The diskette provided with the contracts reflected each Service program's product requirements cross-referenced to a Distribution and Pricing Agreement (DAPA) by manufacturer and product part number. DSCP's goal is to shift the Service program's product requirement, to the PV's high velocity, functionally equivalent item, stocked in the PV's distribution center (DC). The Government objective is to ensure product availability. (Example: The Service requirement is for size 7, blue, latex gloves. The Service chooses an item on the ABC Company's DAPA, to meet its requirement. The PV does not sell the item commercially, therefore, would be unable to

rotate this item into its commercial inventory. The WRM provision requires the PV to bring the item into stock for the twenty-month commitment period, for a possible sale. It is determined that the PV's high velocity, functionally equivalent item stocked in the PV's distribution center, is XYZ Company's size 7, blue, latex glove. This initiative allows the PV to bring in its high volume, rotatable, functionally equivalent item, which is XYZ Company's size 7, blue, latex glove, to meet the Service requirement.) This should increase the PV's ability to rotate the stock requirements and increase that likelihood that a deployed clinician will be using the same material in a contingency setting that he/she used in the non-deployment clinical setting. The originally identified products will be cross-referenced to the PV's high turnover functional equivalent items whenever possible."

5. Referencing the **Statement of Work (SOW), Section XIX. WRM Support Provisions.** **DELETE** this section in its entirety and **SUBSTITUTE** the following:

XIX. WRM Support Provisions- Primary/Secondary Support:

USE REQUIREMENTS UNDER SOW IF NOT DETAILED BELOW

A. WRM Support, Cost for Access and the Value of Inventory:

1. **WRM Cost for Access:** The Cost for Access provides each Service Program access to their materiel for a twenty-month commitment period. The dollar value of the Cost for Access, pursuant to schedule CLINs 0001AA through 0001AE, as revised within the WRM Support Provision, Modification P00040, effective September 21, 2001, is the "Twenty-month cost for access to the materiel." Note: For purposes of WRM, each CLIN (e.g., 0001AC) is considered a separate Service requirement.

a. The Cost for Access does NOT include the purchase price of the materiel, which will be separately paid for at time of order. If the Service draws the materiel down during this period, their WRM PV must replenish the materiel within thirty days of draw down at no additional cost.

b. If selected to provide WRM Support, the PV shall provide that support for the entire Global East Region. DSCP shall issue a delivery order to the selected WRM PV establishing the Service selection. Upon receipt of the delivery order, the PV may invoice for the Cost for Access. The amount of the invoice shall be based on the requirements diskette in effect at the time of invoicing. The start of a twenty-month commitment period, for the WRM election, shall be the effective date of the delivery order. However, the Third (last) Commitment Period, if invoked, will end upon the basic contract expiration date, 10/31/06, regardless of its effective date. (Note: To optimize the last Twenty-Month Commitment Period, there MUST be NO financial lapse of coverage between the Second Commitment Period ending on 1/26/05, and the Third Commitment Period beginning 1/27/05.) **Example:** The First Commitment Period of this contract began on 9/27/01, the Second Commitment Period began on 5/27/03, and the Third Commitment Period MUST be funded to be effective 1/27/05.

c. Payment of the "Cost for Access" Fee - The Cost for Access fee will be adjusted (as shown in the example below) to correctly reflect the value of the access on the effective diskette when the contractual access is less than 100 % of the estimated total dollar value of stock requirements, for all Service Programs in a global region. The Cost for Access payment will be based on the diskette in effect at time of invoicing, and will be directly proportional to the total dollar value of the covered requirements for the entire global region and the number of months of coverage. The historical ratio for Cardinal's twenty-month Cost for Access was one-dollar investment for every 5.54-dollar value of requirements. The PV may invoice for additional Cost for Access fees as diskettes are issued, or as DSCP and the PV increase the dollar value of the requirements, until the access coverage meets the Service Program access value, as stated in the contract. Increases to the dollar value may result from adding products, or item valuation of existing requirement increases (DAPA or Alternate Commercial Product Ordering Program [ACPOP]).

Payment Example, using fictitious data: The Cost for Access fee for all Service programs, within the Global East Region, is \$360,000 for \$2,000,000 of inventory (the cost for access in this example is 18% of the Value of Inventory). At the start of the Commitment Period, the diskette in effect valued the inventory at \$1,400,000 so the PV invoiced and was paid \$252,000 (18% of \$1,400,000).

In the fourth month of the 20-month Commitment Period, the value of the inventory on hand increased from \$1,400,000 to \$1,600,000, an increase of \$200,000. The PV is entitled to submit an invoice in the amount of \$28,800 (18% of \$200,000 = \$36,000; $\$36,000 / 20 \text{ months} = \$1,800$; $\$1,800 \times 16 = \$28,800$) for the increase value of the inventory on hand for the remaining 16 months of the Commitment Period.

2. **WRM Value of Inventory**, for each Service Program, is defined as:

a. For items identified as a DAPA item, the PV's inventory item will be valued at the price of the product itself, as negotiated and published on a DSCP DAPA (the product price before any added fee), as referenced in the SOW, Section II. Definitions Paragraph F. Delivered Unit Price.

b. For items not available under a traditional DAPA, but available through ACPPOP, the inventory item will be valued at the raw/undelivered unit price (exclusive of any other fee or charge), as defined in Modification P00055 effective June 24, 2002, Paragraph J, category 16a. Raw/Undelivered Unit Price.

(NOTE: For items identified as the acceptable functional equivalent, the value of the item will be based on either (a) or (b) above, accordingly. The value of inventory at the time of a Government inspection must be based on the definitions above.)

B. **Access to WRM Materiel:** The PV will be given 24 hours advance notice prior to

the inspection of the materiel, by the Government. The Government may inspect the DCs more than once during a twenty-month commitment period. The PV must provide the inspection team(s) reasonable and timely access to the materiel at no additional cost to the Government.

1. The Government may choose to inspect any of the PV's DCs maintaining an inventory of WRM requirements.

2. **"Cost for Access" Fee Reimbursement:** The PV shall reimburse the Government, if the Government's inspection reveals that less than 100 percent of the total requirement is being held at the PV assigned DCs. The amount of reimbursement will be determined by taking the percentage of missing inventory, at the DC, and applying it to the Cost for Access, as it relates to that DC. In addition, a 3.65 percent liquidated damages fee will be assessed against the total dollar value of the reimbursement.

EXAMPLE A: As stated in the **Payment Example** in paragraph A.1.c above, at the time of invoicing, the effective requirements diskette showed the PV had \$1,600,000 of inventory on hand. Therefore, the PV was paid \$288,000 (18% of \$1,600,000) for the inventory on hand. The effective requirements diskette shows that DC#1 will hold \$800,000 (or 50%) of inventory, DC#2 will hold \$400,000 (or 25%), and DC#3 will hold \$400,000 (or 25%). At the time of the Government inspection of DC#1, it is discovered that the PV only had \$400,000 of inventory being held. *The percentage of missing inventory is 50 percent.*

EXAMPLE B: The portion of the Cost for Access fee as it relates to the percentage of the Value of Inventory for DC#1 is \$144,000 (50% of \$288,000), for DC#2 is \$72,000 (25% of \$288,000), and for DC#3 is \$72,000 (25% of \$288,000). As stated in Example A above, the percentage of missing inventory at DC#1 is 50%. Based on this, the PV shall reimburse the Government \$72,000 (50% of \$144,000) plus a liquidated damage fee of \$2,628 (3.65% of \$72,000) for a total reimbursement of \$74,628 (\$72,000 plus \$2,628).

3. Liquidated damages shall be assessed against the PV for travel and lodging expenses incurred by the Government inspection team if:

a. the inspection team arrives at the PV's DC and finds that the DC and/or the materiel stored at the DC has been relocated, and the PV failed to notify DSCP as required in paragraph F.5 below; and/or

b. the Government determines, based on an inspection of a PV's DC, that the WRM value of inventory is less than 100 percent, which therefore endangers the overall success of the WRM Program.

4. **Missing WRM Inventory:** If an inspection reveals the PV has less than 100% of the required inventory on hand, the PV must bring the missing percentage into stock within 14 days of inspection.

C. Ordering:

1. WRM orders may be placed 7 days per week, 24 hours per day, including holidays. The PV's WRM point of contact (person responsible for accepting these orders) shall be provided to the Service representative at time of the Service PV selection for WRM support.
2. Orders may be placed electronically, telephonically or by facsimile transmission. The PV and the Master Ordering Facility (MOF)/a Service selected/designated facility (as mentioned in the SOSS), that shall be referred to for the purposes of WRM, as a Designated Ordering Facility(s) (DOF) (as further defined in paragraph 3 below), must work together to establish ordering procedures for WRM.
3. All DOFs, must be either a MOF or Routine Ordering Facility (ROF) listed under Attachment II of the contract. The Service will provide changes to the authorized DOFs within 15 days of its PV selection letter as required in paragraph A.1.b. above. All additions, deletions, and changes to the DOFs shall be submitted to DSCP immediately, and when possible, prior to the occurrence. The Service shall verify or provide the PV with the "Ship To," and "Mark For" (if applicable), address at time of order placement.
4. WRM orders issued under this contract shall be DO rated orders certified for national defense use under the Defense Priorities and Allocation System (DPAS) (15 CFR 700) and the PV will be required to follow all the requirements of this regulation.

D. WRM Items:

1. The PV is only responsible for supporting items that have been cross-referenced to a DAPA; identified as part of ACPOP; or were agreed upon by the Service, DSCP, and the PV to be acceptable commercial functional equivalents, identified on the requirements diskette, under the category (Primary or Secondary) applicable to them, during their effective period of coverage. The WRM requirements diskette is the master list of products, for all global regions, for all Service Programs. DSCP and the PV will continue to add products to the diskette until the value of each Service's requirements equals the value identified in the contract.
2. The PV may remove items from the requirements for obsolescence or product recall (SOW, XIII, PRODUCT RECALL NOTIFICATION), with or without a replacement, with the government's approval. Items may NOT be removed for the purpose of replacement for a new preferred item, or in lieu of coverage under another DSCP Readiness contracting program, unless DSCP and the Service Program agree it to be advantageous to the government. No changes to the items provided may be made except with the Government's approval, and effected by contract modification.

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3. Grace period. Upon issuance of a new requirements diskette, the PV must have all requirements under the worksheet (tab) titled "ADDs," available for delivery within eight weeks.

4. A WRM list increase of ten percent, calculated on the awarded WRM dollar value for each Service requirement, may result during the term of the contract.

E. WRM Testing:

1. Each Service may test the PV's responsiveness by placing orders against the contract, with or without prior notification, either as a paper test or by actually ordering materiel for shipment. When a "paper" test is conducted, the PV must provide projected materiel availability results of the test without the physical movement of the materiel, in accordance with the required delivery timeframes. When the Service actually purchases materiel, the PV must respond as if it were a true military operation and all WRM provisions of the SOW will be in effect.

2. Paper tests will be limited to two tests per Service Program, per year. Service-purchased materiel tests will also be limited to two tests, per Service Program, per year. Joint Chiefs of Staff (JCS) and Commander-in-Chief (CINC) exercises are expected to be part of this testing. Paper tests will be conducted at no additional cost to the requesting Service. If a test requires actual drawdown and delivery of materiel, the PV will only be paid for the cost of the delivered materiel.

DMK
3. In addition to the Service Program testing (paragraph 2 above), DSCP may conduct ^{one} ~~two~~ paper tests, per Service Program, per year. Paper tests will be conducted at no additional cost to the Government.

F. WRM Reporting:

1. **Materiel Detail Report (MDR):** The PV must provide DSCP with a MDR for each WRM item covered on the requirements diskette, which includes both Primary and Secondary support. This report must show the exact location of all covered WRM requirements, segregated by region, and must be provided in the format described below. DSCP must receive this report within five business days following eight-week grace period allotted to bring in the materiel as defined in paragraph D.2. After the initial report, the PV must provide this report to DSCP on a **monthly** basis. This report should be provided electronically via e-mail to Rick Morrison at the following e-mail address: Richard.Morrison@dla.mil

2. **Service-Specific MDR (SSMDR):** The PV must provide each Service with a **monthly** SSMDR for each WRM item covered on the requirements diskette. Each Service's report must only include that Service's requirements. For example, the PV must provide a report to the Army and the report must contain only Army requirements. This report must show the exact location of the covered WRM requirements, segregated

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by region, and must be provided in the format described below. This report should be provided electronically to the following e-mail addresses:

Air Force or AEF: sourcing.sustainment@ft-detrick.af.mil

Navy: JPCajudo@us.med.navy.mil

Marines: palmaresim@hqmc.usmc.mil

Army: Gerard.Losardo@det.amedd.army.mil

3. **MDR/SSMDR Format:** The above reports shall be presented in a Microsoft Excel workbook using the following format:

- a. Type of Support (Primary or Secondary)
- b. PV SKU
- c. NSN
- d. Item Nomenclature
- e. PV Unit of Sale
- f. PV Quantity per Unit of Sale
- g. Regional Total Quantity for Type of Support (per PV Unit of Sale) for

ALL DCs Combined.

h. Regional Total Quantity for Type of Support (per PV Unit of Sales) for DC (Each DC holding WRM materiel must be a separate column heading with its PV reporting the WRM quantity identified.)

This workbook should contain three separate worksheets (tabs) titled "EAST," "CENTRAL," and "WEST."

Example:

Type of Support (Primary or Secondary)	PV SKU	NSN	ITEM NOMENCLATURE	PV UNIT OF SALE	PV QUANTITY PER UNIT OF SALE	REGIONAL TOTAL QTY FOR TYPE OF SUPPORT (per PV Unit of Sale) ALL DCs COMBINED	REGIONAL TOTAL QTY FOR TYPE OF SUPPORT (per PV Unit of Sale) for ATLANTA, GA DC	REGIONAL TOTAL QTY FOR TYPE OF SUPPORT (per PV Unit of Sale) for ERIE, PA DC	REGIONAL TOTAL QTY FOR TYPE OF SUPPORT (per PV Unit of Sale) for ORLANDO, FL DC
Primary	ABC22	6515-00-123-0000	Gloves, Exam	CS	4 BX of 100s	20	10	4	6
Secondary	ABC22	6515-01-234-0120	Gloves, Exam	CS	4 BX of 100s	30	12	18	

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4. **Distribution Center Location (DCL) Report:** The PV shall provide a DCL Report to the DSCP Contracting Officer in an Excel spreadsheet that contains the complete address for the DC, the name of the POC at the DC, and the POC's e-mail address. This spreadsheet must be updated every time a change occurs. The PV shall provide this spreadsheet on a quarterly basis or as changes occur.

5. **PV Inventory Visibility:** The PV shall provide DSCP real-time access to its inventory system, for each DC holding WRM materiel, at no additional cost to the Government.

G. **Shelf-life items:** The PV must only provide items with a minimum of six months expiration dating remaining at time of delivery. For items with a shelf life of six months or less at time of manufacture, at least 75% of the original dating must remain at time of delivery.

H. **Fill Rate:** The fill rate for surge items is 100% calculated as shown under the definition "Fill Rate."

I. **Transportation Requirements:**

1. **For ALL Delivery Locations within the US:**

* a. **Normal Delivery:** The PV must deliver all shipments to the identified ~~delivery location~~ within 72 hours of order placement. The mode of transportation for this order type must be by a PV-supplied carrier.

* *POF or any other delivery location approved by the PV. DMK*

b. **Delivery Within 24 hours:** This is a PV-supplied Premium Delivery Option that the Service may elect when invoking their WRM requirements. The transportation expense and payment arrangements for this premium transportation option will be negotiated between the PV and the Service at time of order placement. This premium transportation option is available for all orders placed within the US regardless of how the order was placed (i.e., phone, facsimile, web-based ordering system, etc.). The PV must deliver the shipment to the identified ~~delivery location~~ within 24 hours of order placement. The PV must use additional resources, scheduled air carriers, and other means available to the PV to ensure that the shipment is delivered within the required timeframe.

* *POF or any other delivery location approved by the PV. DMK*

Hazardous items and materiel may require additional handling which may extend the required delivery timeframe. Hazardous materiel that can not meet the required delivery timeframe must be identified to the Service and the PV must provide the Service with a commercially reasonable estimated delivery timeframe.

2. **For ALL Ultimate Consignee outside the US:** The PV must deliver shipments with an ultimate consignee outside the US as directed by the Service at time of order placement. The delivery options are as follows:

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a. **Delivery to the PV's distribution center dock:** The PV must present each shipment, regardless of weight, to the PV's distribution center dock for pick-up by a Government-supplied carrier, within 24 hours of order placement.

b. **Delivery to AMC/Military Air Terminals:**

(1) The PV must deliver each shipment, regardless of weight, to one of the following AMC/Military Air Terminals within 72 hours of order placement:

- (a) Charleston AFB, SC
- (b) Dover AFB, DE
- (c) McGuire AFB, NJ
- (d) NAS Norfolk, VA

(2) The Service will notify the PV at time of order placement which AMC/Military Air Terminal to ship the materiel. It is mandatory that all shipments to AMC/Military Air Terminals obtain shipment clearance from the Service Air Clearance Authority 24 hours prior to arrival. To obtain clearance, the PV must contact Ms. Loretta Bingham, DSCP Distribution and Readiness Division, at 215-737-2668 or Fax 215-737-8464, and provide the following information:

- (a) Transportation Control Number (TCN);
- (b) Date of Shipment, Mode and Number of days enroute;
- (c) Number and type of containers, weight and cube;
- (d) Special Handling Instructions (refrigerated, hazardous)

Note: The Transportation Control Number (TCN) is an extremely important piece of data and is a complete transportation address in itself. This number must appear on all outer containers.

J. WRM Preservation, Packaging, Packing, Labeling and Marking Requirements:
(if not detailed below, use requirements under Section XVII – Preservation, Packaging, Packing, Labeling and Marking)

1. Over-pack container markings must include the delivery point's six-character (alpha and/or numeric) Department of Defense Activity Address Code (DODAAC) and a "Ship-To" address. Commercial markings not interfering with the clarity or positioning of required markings on containers need not be obliterated.

2. A packing list must be prepared and enclosed with each order in accordance with Section XVII - Preservation, Packaging, Packing, Labeling and Marking.

3. A completed Military Shipment Label (DD Form 1387-white label) must be affixed to each exterior container only when specifically requested by the Service at order placement.

K. War Reserve Materiel (WRM) Support (Secondary):

1. In accordance with the contract, the Service Program will select a Prime Vendor (PV) to provide its WRM Support for the entire Global East Region. When a Service Program has already selected its PV for WRM Support (the primary WRM PV), pursuant to schedule line items 0001AA through 0001AE, that Service Program may also select a secondary, or back-up PV for WRM Support. Service Programs that have not yet selected any PV for WRM Support may select both primary and secondary PV for WRM Support.

2. For each delivery order, the Service Program shall first seek to obtain its WRM requirements from its primary PV in accordance with the SOW. Under certain conditions, the Service Program may place a WRM order with its secondary PV. These include when the primary PV is unable to supply any or all of the WRM items because:

a. the WRM item, and/or its acceptable functional equivalent, is being ordered within the eight week grace period discussed above and the primary PV kills the order, and/or;

b. that delivery order(s) was issued within the thirty days (fourteen days for AEF requirements) allowed to replenish (or refresh) supplies from an earlier delivery order, and no acceptable functional equivalent is available, and/or;

c. the WRM item(s) is confirmed as "NOT stocked" from the primary PV, and the selecting Service rejected the proposed functional equivalent (items under this condition are not listed on the current WRM Requirements' Diskette at the time the order is placed.)

NOTE: If any of the above (a- c) conditions exists, then the Service Program may place the WRM order with its secondary PV for the exact item(s), or the acceptable functional equivalent item(s). The order shall be placed in accordance with the terms of the SOW, especially Sections XLX and XX, for those item(s) the primary PV is unable to supply.

3. The secondary WRM PV will be paid the same cost for access to material, as separately listed for each Service, as stated within its WRM Support Provision Modification P00040, effective September 21, 2001. The total estimated stock requirements' dollar values provided for each Service is unchanged from the September 21, 2001 modification, regardless of whether any Service Program selects a secondary WRM PV.

4. The secondary WRM PV will be entitled to the WRM Support Distribution Fee, stated in its WRM Support Provision Modification P00040, dated September 21, 2001.

5. If selected as a secondary WRM PV, the contractor shall negotiate with the Government over the specific items it will provide in order to satisfy the Service

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Program requirements. This procedure shall be identical to what already occurs when the Government and that contractor, as primary WRM PV, agree on items to satisfy Service Program requirements. It is expected that the secondary WRM PV, would provide the same items it would provide in its separate function as primary WRM PV.

6. A secondary WRM PV will have the same rights, duties and responsibilities as the primary PV, as set forth in the **SCHEDULE OF SUPPLIES/SERVICES**, and SOW (especially Sections XIX and XX), as modified.